

Frequently Asked Questions (FAQs) and Answers
New Technology Implementation Grants (NTIG) Program
Fiscal Year 2017 Solicitation

July 18, 2016 to October 18, 2016. 5:00 p.m., CST

The following questions were posed during the NTIG workshops conducted in Arlington, Houston and Austin in 2016 and includes questions posed in previous grant round workshops. Additional questions may be added as received.

Project Eligibility

1. Will the NTIG program fund any research and development (R&D) work for the technologies or equipment proposed for the project?

No, the NTIG program funds the implementation of fully developed, off-the-shelf technologies. The program is not intended to fund research and development work.

2. Does the TCEQ have a reference document that defines what constitutes “research and development” projects and “commercially available” projects?

No, it is up to the applicant to demonstrate the readiness of the technology in the application. Applicants should include information about technical merits of the technology and testing protocols that demonstrate physical testing. This information should prove the technology can and will work as proposed.

3. My organization produces an emission-reducing or energy storage technology. Can we get funding?

If your organization is not the owner or TCEQ-approved operator of a facility or stationary source, your application may not be eligible. Technology vendors are encouraged to seek out project sites and applicants that are appropriate for their technology.

4. If I am not the owner of the facility or stationary source, can I apply? How does an applicant provide evidence of operational control of a facility during the project and for five years after final reimbursement is paid by TCEQ?

If you are not the owner or TCEQ-approved operator of a facility, before the application deadline, you must receive TCEQ written approval to apply.

The following is a non-exhaustive list of items that the TCEQ may accept as evidence of operational control:

- lease for facility covering the applicable years
- business documents showing applicant as owner/operator
- operational agreements between operator and facility owner (if entities are separate)

5. If a technology is in the early stages of production and has not yet been widely proven, could it still be considered under the program?

Yes, but this fact would be considered in the scoring process.

6. If the technology is already developed is that still considered a New Technology?

Yes, if it results in emissions reduction beyond current federal requirements.

Application Submission

7. What was the date of the grant opening?

The Fiscal Year 2017 grant round opened on July 18, 2016.

8. If applicants submit confidential information in their application, are they able to withdraw that information at any point?

Once information is submitted to the TCEQ, it is considered a public record and becomes subject to release under the Texas Public Information Act and cannot be withdrawn. Information about how to submit confidential documentation can be found in the Request for Grant Applications.

9. What is the extent and level of detail required for the application?

The Scope of Work (SOW) and responses to narrative questions should provide an overview of all the work to occur at the project site for the project, not just the portion that is proposed for grant funding. Applicants should be forthcoming and transparent about timelines for the entire project.

10. What is the extent and level of detail required for the application budget?

The budget can reflect only those costs proposed for reimbursement as well as enough items proposed for matching funds to satisfy the 50% requirement. Applicants should be sure to include an excess of matching funds well over the 50% level (see 16. below) since some costs may be deemed ineligible as matching funds by the TCEQ during reviews or negotiations due to issues regarding budget category or timing of purchase, among other considerations.

Application Review

11. What are the review timelines for this grant round?

Depending on the quantity of the applications received in this round, the review by TCEQ and the three coordinating state agencies may take up to three months.

12. What is the role of TCEQ Permitting and the three state agencies in reviewing applications for the NTIG program?

In addition to the reviews performed by NTIG program staff, reviews will also be performed by TCEQ Permitting, the Texas Comptroller of Public Accounts (TCPA), Public Utility Commission of Texas (PUCT), and Railroad Commission of Texas (RRC). For example, the Comptroller will assess, among other things, the financial stability of applicants. The full details of interagency audit and review duties are in the Texas Health and Safety Code Sec. 391.102(f). The table below briefly summarizes the review duties of these other organizations.

State Agency	TCEQ Air Permits	Comptroller (TCPA)	Public Utility Commission (PUCT)	Railroad Commission (RRC)
Project categories examined	All three	All three	All three	(1) Advanced Clean Energy, (2) New Technology
What they assess	<ul style="list-style-type: none"> • Current compliance status of applicant • Potential emissions reductions of project 	<ul style="list-style-type: none"> • Financial stability of applicant • Potential economic benefits and job creation of project • For grantees, use of grant funds (annually) 	<ul style="list-style-type: none"> • Reliability of proposed technology • Feasibility and cost effectiveness of electric transmission associated with project 	<ul style="list-style-type: none"> • Availability and cost of fuel involved with project

13. Is there a target point for the amount of emissions reduction achieved?

For the New Technology project category there is no minimum but the percent of emission reduction will be considered in the scoring.

For the Advanced Clean Energy project category the minimum emissions reductions are listed in the RFGA.

14. For electricity storage, will scoring be based on any configurations other than one megawatt?

Several facilities that together would fulfill the one megawatt requirement would qualify. A storage system tied directly to a wind farm or solar array will do better.

15. For electricity storage, can a company applying for a grant to purchase renewable energy from a wholesaler or does an applicant have to generate the renewable energy themselves?

Yes, the applicant can purchase electricity from a wholesaler, but the proximity of the source would be a consideration when scoring. The applicant must show the connection of the electricity purchased to the renewable resource. The closer the relationship, the more points will be awarded for that criteria.

16. If there are no minimum requirements for reduction in the New Technology Category, how does the applicant predict the minimum emission reductions at the time of application?

Applicants must explain and illustrate the methodology used for calculating the emissions reductions to the best of their ability at the time of application. TCEQ recognizes that a variety of methodologies are possible and that actual outcomes may differ.

17. If an applicant can more clearly demonstrate storage or use of renewable energy will they score higher on the application?

Yes, a project linked to renewable energy sources would score higher in that criteria than a project not involving renewable energy sources. Projects in the Electricity

Storage Category *must* be related to renewable resources. Scoring would depend on how well they show that connection.

18. How does the applicant report cost effectiveness and kWh delivery - in cycles or over the course of the project?

Calculation in cycles or over the course of the project is acceptable if your method of calculation is explained in detail.

19. If a major company conducted testing indicating a project was not feasible, could a similar project still be considered under the program?

This kind of scenario would not impact the scoring or eligibility of an application.

Operational Requirements

20. What is a facility or stationary source?

A **facility** is a discrete or identifiable structure, device, item, equipment, or enclosure that constitutes or contains a stationary source, including appurtenances other than emission control equipment. A mine, quarry, well test, or road is not considered to be a facility (Texas Health and Safety Code, Sec. 382.003[6]).

A **stationary source** is generally any source of an air pollutant except those whose emissions result directly from an internal combustion engine used for transportation purposes or from a non-road engine or non-road vehicle as defined in section 7550 of title 42 of the U.S. Code (Clean Air Act, Title II, Sec. 216).

21. What is the definition of the term “renewable energy”?

For purposes of the NTIG program, TCEQ uses the statutory definition of “renewable energy technology” from TUC 39.904. **Renewable energy technology** means any technology that exclusively relies on an energy source that is naturally regenerated over a short time and derived directly from the sun, indirectly from the sun, or from moving water or other natural movements and mechanisms of the environment. Renewable energy technologies include those that rely on energy derived directly from the sun, wind, geothermal, hydroelectric, wave, or tidal energy, or on biomass or biomass-based waste products, including landfill gas. A renewable energy technology does not rely on energy resources derived from fossil fuels, waste products from fossil fuels, or waste products from inorganic sources (Texas Utilities Code, Sec. 39.904[d]).

22. For Electricity Storage projects, what does the one megawatt (MW) minimum rated power requirement mean?

Electricity Storage projects should be able to make available at least 1MW instantaneous power under nominal operating conditions (nameplate capacity). This does not refer to an amount of energy, like one megawatt-hour (one hour of energy supplied at a rate of 1 MW). Rather, it refers to an ability of the storage technology to make at least 1 MW available at any given moment under normally expected operating conditions. For projects involving multiple electricity storage sites, the total amount of power that can be made available at any given moment must meet this threshold. Other factors, such as duration of discharge and response time are also considered in the scoring. Please see p. 19 of the Request for Grant Applications (RFGA), Section 3.1.3 for more information.

23. New Technology – does that mean new to applicant (individual or company) or new to the industry?

New Technology refers to emissions control technology resulting in emissions reduction beyond current federal requirements.

24. Over the course of the five year contracting period, can changes be made to the mechanical/operating specs on a project? Ex: increase in storage capacity.

Yes, a grantee can request changes to the Grant Contract, including the Scope of Work and Budget. The TCEQ would need to determine if the requested changes would have impacted the original scoring and selection of the project for funding. Contract amendments could be negotiated over the life of the grant if needed.

Project Funding

25. Does the TCEQ have a targeted number of projects that it expects to fund through NTIG?

No, the number of projects funded will depend on available funding, the quality and number of project applications received by the program, and whether they are eligible and sufficient to warrant a grant award.

26. What costs are eligible for the minimum 50% cost share (matching funds) requirement?

To be accepted by the TCEQ, costs marked by applicants as matching funds must also be costs eligible for reimbursement. For example, costs associated with the purchase of land are ineligible as a reimbursable cost and therefore would also not be accepted by TCEQ as matching funds.

All applicants must show a minimum 50% cost share in the application budget. Applicants that may have questionable cost share items should plan to provide for a cushion above the required 50% cost share to ensure basic eligibility is met. All awardees must prove a minimum 50% cost share, though the TCEQ may make adjustments to costs identified as cost share in the application. Because cost share items may be excluded based on acquisition or payment date of the item in question, applicants should pad their budget well above the 50% matching funds threshold.

The TCEQ encourages applicants to review the Uniform Grant Management Standards (UGMS) when developing application budgets. The UGMS is available as a direct download from the State of Texas Governor's website.

27. Do cost share funds include costs incurred after the period of funds availability?

Eligible expenses would be those that cover the Implementation Phase of the project only. By the end of the Period of Funds Availability, the Implementation should be complete and the expenses after that point would be Operational, which are not eligible expenses.

28. Are cost share expenses incurred before the grant round opening eligible?

No, only costs incurred after the grant round opening would be eligible to meet the cost sharing requirement.

29. Can state and federal funds be used to fund the project count as matching funds for NTIG?

Federal funds and funding provided by states other than Texas may be counted as matching funds for NTIG projects, so long as the requirements of that alternate public funding make no claims to emission reduction credits generated by the grant funded project as these are required to be transferred to the Texas State Implementation Plan and retired (see RFGA Section 1.13). Funds provided by the State of Texas cannot be counted as matching funds. The TCEQ will scrutinize federal and other-state funding for eligibility on a case-by-case basis. Other sources of public funding should be included in the application for confirmation of cost match eligibility.

Eligible Expenses and Reimbursement of Grant Funds

30. If a project has a long procurement/construction period or plan what is the timeframe in which reimbursements can be submitted?

The deadline for submitting requests for reimbursement is the end of the period for funds availability. For fiscal year 2017 contracts that date is May 31, 2019.